

October 19, 2016

Mr. Scott Hanin, City Manager  
City of El Cerrito  
10890 San Pablo Avenue  
El Cerrito, CA 94530

Dear Mr. Hanin:

Subject: Amended Recognized Obligation Payment Schedule

Pursuant to Health and Safety Code (HSC) section 34177 (o) (1) (E), the City of El Cerrito Successor Agency (Agency) submitted an Amended Recognized Obligation Payment Schedule for the period January 1, 2017 through June 30, 2017 (ROPS 16-17B) to the California Department of Finance (Finance) on September 29, 2016. Finance has completed its review of the Amended ROPS 16-17B.

Based on a sample of line items reviewed and application of the law, Finance has made the following determination:

Item No. 28 – Expenditure of Bond Proceeds in the amount of \$400,243 is not allowed. Finance continues to deny this item. Per ROPS 16-17 Meet and Confer determination letter dated May 17, 2016, Finance previously denied this item because the California State Controller's Office (SCO) determined the transfer to be an unallowable transfer during its Asset Transfer Review and ordered the Agency to reverse the transfer. It is our understanding the funds have not been returned as ordered by SCO. Therefore, if and when the bond proceeds are transferred back to the Agency, the Agency may request the expenditure of these funds as excess bonds on a future ROPS consistent with HSC section 34191.4 (c) (1) (A). As a result, with the Agency's concurrence, the requested \$400,243 is not eligible for Bond Proceeds funding.

Except for the adjustment denied above, Finance is not objecting to the remaining adjustments requested, which results in a \$285,609 reduction in Redevelopment Property Tax Trust Fund (RPTTF). As a result, the Agency's amended maximum approved RPTTF distribution for the ROPS 16-17B period is \$413,216 as summarized in the Approved RPTTF Distribution table on Page 3 (See Attachment).

Please refer to the ROPS 16-17B schedule used to calculate the total RPTTF approved for distribution:

<http://www.dof.ca.gov/redevelopment/ROPS>

This is Finance's determination related to the funding of enforceable obligations reported on your Amended ROPS 16-17B. Please note there is not a Meet and Confer option for the Amended ROPS process so Finance's determination is final. Finance's determination is effective for this time period only and should not be conclusively relied upon for future ROPS periods. All items listed on a future ROPS are subject to review and may be denied even if it was not denied on this Amended ROPS or a preceding ROPS. The only exception is for items that have received a Final and Conclusive determination from Finance pursuant to HSC section 34177.5 (i). Finance's review of Final and Conclusive items is limited to confirming the scheduled payments as required by the obligation.

The amount available from the RPTTF is the same as the amount of property tax increment available prior to the enactment of the redevelopment dissolution statutes. Therefore, as a practical matter, the ability to fund the items on the ROPS with property tax is limited to the amount of funding available to the Agency in the RPTTF.

Please direct inquiries to Cindie Lor, Supervisor, or Anna Kyumba, Lead Analyst, at (916) 445-1546.

Sincerely,



JUSTYN HOWARD  
Program Budget Manager

cc: Ms. Melanie Mintz, Community Development Director, City of El Cerrito  
Mr. Bob Campbell, Auditor-Controller, Contra Costa County

**Attachment**

<b>Approved RPTTF Distribution</b>		
<b>For the period of January 2017 through June 2017</b>		
Authorized RPTTF on ROPS 16-17B	\$	573,825
Authorized Administrative RPTTF on ROPS 16-17B		125,000
<b>Total Authorized RPTTF on ROPS 16-17B</b>		<b>698,825</b>
<b>Authorized 16-17B RPTTF Adjustments</b>		<b>(285,609)</b>
<b>Total Amended ROPS 16-17B RPTTF approved for distribution</b>	<b>\$</b>	<b>413,216</b>